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TRADE EXPANSION AND ECONOMIC INTEGRATION AMONG DEVELOPING COUNTRIES, MEASURES TO BE TAKEN BY DEVELOPING AND DEVELOPED COUNTRIES, INCLUDING REGIONAL, SUB-REGIONAL AND INTER-REGIONAL ARRANGEMENTS [14]

DRAFT REPORT OF WORKING GROUP II

Rapporteur: Mr. D. Laloux (Belgium)

CHAPTER III

Institutional arrangements

45. The discussion of this item opened with a statement by the representative of the Secretary-General of UNCTAD in which he mentioned the various aspects of the question of institutional arrangements that may need consideration. It was generally recognized in the debate that UNCTAD has a central role to play in the field of trade expansion, economic co-operation and integration among developing countries.

46. The representatives of the developing countries, supported the proposals of the Algiers Charter with respect to UNCTAD's role in this field, in particular the creation of a permanent UNCTAD Committee to examine problems of common interest to countries in various regions and with terms of reference along the lines of those in the Charter of Algiers, Chapter F. The representatives of developing countries also stated that arrangements should be made to establish suitable mechanisms or procedures for the implementation of the recommendations of the Conference regarding this item and particularly of the declaration of support of developed countries that may be adopted.

47. A number of the representatives of the developing countries stated that the terms of reference of the permanent committee should be drawn up very carefully and that the responsibilities and work of the Regional Commissions and other regional bodies must be taken into account to avoid interference with their efforts. They stated that while with respect to the problems of trade expansion among developing countries in general UNCTAD's role would be central, with respect to regional or sub-regional integration the role of UNCTAD shall be equally important, although complementary, to that

of the Regional Commissions. The representative of a socialist country of Eastern Europe stated that with respect to regional integration efforts, the proposed committee's role should be confined to their trade policy aspects. The representative of one developing country suggested that as far as the composition of the permanent committee was concerned, the participation of the GATT, the Regional Commissions, other regional bodies and other interested international organizations should be considered.

48. Some representatives of developed market economy countries stated that a proliferation of new bodies should be avoided. Some other representatives of these countries stated that they had an open mind on the question of new bodies and that the need for new institutional arrangements may be assessed more easily and usefully once one knew what functions UNCTAD could fulfil in this field and what other suggestions for new institutional arrangements might be made in the Conference. One of the representatives of the developed countries stated that UNCTAD should support and encourage developing countries in their efforts of co-operation. The representatives of the developed countries generally suggested that the Trade and Development Board should at its seventh session decide upon these matters; some of these representatives felt that the Conference may give the Board some guidance for consideration of this matter.

49. With respect to the multilateral trade negotiations which have been initiated by developing countries Contracting Parties to the GATT, and in which non-members of the GATT have been invited to participate, the representatives of the developing countries proposed that the Secretary-General of UNCTAD should undertake the necessary steps with the GATT Director-General with a view to arranging that the Trade Negotiations Committee concerned would operate within a joint GATT/UNCTAD framework and be serviced by both Secretariats. Several representatives of developed market economy countries stated in this respect that GATT should play the major role in such negotiations.

50. With respect to the role of the UNCTAD Secretariat, most representatives of developing countries as well as from developed market-economy countries and Socialist countries of Eastern Europe supported the idea that it should act as a clearing-house between the regions for the necessary exchange of information and evaluation of experiences in questions of trade expansion, co-operation or integration in the different parts of the world. Many representatives of developing countries stated

that the necessary logistical basis for this activity should be created in the Secretariat. A representative of a Socialist country of Eastern Europe suggested that this could be done within the present budget of UNCTAD and without inflating its staff.

51. Several speakers from developing countries mentioned that the UNCTAD Secretariat may also assist in seeking out the right kind of experts, if a particular body or country wanted such assistance. The representatives of one developing and one developed country stated however that this was a task that would have to be handled by UNDP. The representatives from the developing countries supported the Algiers Charter proposal for establishing a centre, under the auspices of UNCTAD and other specialized agencies, to train experts in the field of trade expansion, economic co-operation and integration among developing countries. This was the occasion for the representatives of some developing countries to stress the need for ensuring that governments have at their disposal both national staff and outside experts who were really qualified. A number of representatives of developed market economy countries, commenting on the above suggestions said that they were difficult to evaluate in isolation and that they should be considered by the Trade and Development Board in the context of its elaboration of the future work programme of UNCTAD on this subject.

The following sentence should go under part II (international support action) though it was stated under agenda point 3:

/Some representatives of developed countries offered to supply names for a roster of experts, that may be established by the UNCTAD Secretariat for enabling developing countries to deal with the various specific practical problems arising in a trade expansion and integration process./